

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PATELUNAS TO INTERROGATORIES OF
THE MAJOR MAILERS ASSOCIATION
(MMA/USPS-ST44-4 and 5)

The United States Postal Service hereby provides the revised responses of witness Patelunas to the following interrogatories of the Major Mailers Association: MMA/USPS-ST44-4 and 5, filed on July 24, 2000. The original responses were filed on August 1, 2000. The original responses contained some incorrect amounts, as pointed out during hearings on August 3, 2000. Tr. 35/16744-45 and 16749. The revised responses reflect the correct amounts shown in the cited sources.

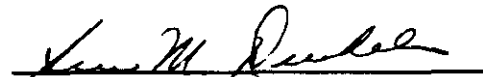
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990 Fax -5402
August 8, 2000

Response of United States Postal Service witness Patelunas
to Interrogatories of
Major Mailers Association

Revised 8/8/00

MMA/USPS-ST44-4 Please refer to the attachment to this interrogatory marked "Attachment to MMA/USPS-ST44-4" that compares the updated test year after rates volume variable costs by subclass from EXHIBIT USPS-ST-44W with the original (revised) test year after rates volume variable costs by subclass from USPS-T-32B.

- (a) Please confirm that all of the cost figures, differences and percent differences are correct. If you cannot confirm, please make any necessary corrections and explain each of those corrections separately.
- (b) Please provide a full, detailed explanation for each of the changes that affect:
 - 1) First-Class Single Piece
 - 2) First-Class Presorted
 - 3) Standard Mail (A) Regular
 - 4) Standard Mail (A) ECR

Response:

(a) Not confirmed. I am not able to explain where some of the amounts in column (1), Updated Vol Variable Costs, of the Attachment to MMA/USPS-ST44-4 were found. I am providing the correct amounts from Exhibit USPS-ST44W and for each amount in column (1) that changes, the Difference in column (3) and the % Difference in the last column will also change. The following amounts from Exhibit USPS-ST44W should replace the amounts displayed in column (1), Updated Vol Variable Costs, in the Attachment to MMA/USPS-ST44-4:

Response of United States Postal Service witness Patelunas
to Interrogatories of
Major Mailers Association

Revised 8/8/00

Response continued:

First-Class Mail	
Single-Piece Letters	13,565,268
Presort and Automation Letters	5,081,634
Total Letters	18,646,902
Total First-Class Mail	19,364,335
 Priority Mail	 3,194,542
 Total Standard Mail (B)	 1,987,663
 Total All Mail	 39,755,198
 Special Services	
Insurance	79,549
COD	16,629
Total Special Services	1,546,107
 Total Mail & Services	 41,301,305
 Prior Years Loss Recovery	 311,709
 Grand Total	 69,644,860

It should be noted that the Prior Years Loss Recovery amount is found in Exhibit USPS-ST44A. Also, the line stubs in Attachment to MMA/USPS-ST44-4 do not exactly match the lines stubs shown in Exhibit USPS-ST44W. The amount shown for Periodicals Outside County in the attachment is the summation of the following lines in Exhibit USPS-ST44W: Nonprofit, Classroom and Regular Rate. The amount shown for Special Services Other in the attachment is the summation of the lines for Special Handling and Special Services Other in Exhibit USPS-ST44W.

(b) Please see my response to AAP/USPS-ST44-9.

Test Year After Rates Finances Using FY 99 Billing Determinants
(\$000's)

Description	Updated Vol Variable Costs (1)	Original Vol Variable Cost (1)	Difference (3)	% Difference
First-Class Mail				
Single-Piece Letters	13,565,269	13,326,042	239,227	1.80%
Presort and Automation Letters	5,081,835	5,019,464	62,371	1.24%
Total Letters	18,646,903	18,345,506	301,397	1.64%
Single-Piece Cards	543,567	539,919	3,648	0.68%
Presort and Automation Cards	173,866	168,958	4,908	2.90%
Total Cards	717,433	708,877	8,556	1.21%
Total First-Class Mail	19,364,336	19,054,383	309,953	1.63%
Priority Mail	3,194,537	3,064,062	130,475	4.26%
Express Mail	467,914	480,984	(13,070)	-2.72%
Mailgrams	854	1,000	(146)	-14.62%
Periodicals				
Within County	86,222	81,397	4,825	5.93%
Outside County	2,345,698	2,384,191	(38,493)	-1.61%
Total Periodicals	2,431,920	2,465,588	(33,668)	-1.37%
Standard Mail (A)				
Regular	6,512,735	6,823,933	(311,198)	-4.56%
Enhanced Carrier Route	2,629,439	2,471,864	157,575	6.37%
Total Commercial	9,142,174	9,295,797	(153,623)	-1.65%
Nonprofit	1,363,390	1,320,611	42,779	3.24%
Enhanced Carrier Route	199,829	208,577	(8,748)	-4.19%
Total Nonprofit	1,563,219	1,529,188	34,031	2.23%
Total Standard Mail (A)	10,705,393	10,824,985	(119,592)	-1.10%
Standard Mail (B)				
Parcel Post	1,077,003	1,052,158	24,845	2.36%
Bound Printed Matter	498,658	479,204	19,454	4.06%
Special Rate	357,987	301,195	56,792	18.86%
Library Rate	54,015	47,444	6,571	13.85%
Total Standard Mail (B)	1,987,665	1,880,001	107,664	5.73%
Penalty				
Free-for-the-Blind	31,833	40,348	(8,515)	-21.10%
Total Domestic Mail	38,184,452	37,811,351	373,101	0.99%
International Mail	1,570,744	1,429,916	140,828	9.85%
Total All Mail	39,755,195	39,241,267	513,928	1.31%
Special Services				
Registry	100,215	85,204	15,011	17.62%
Certified Mail	460,071	461,748	(1,675)	-0.36%
Insurance	79,550	76,638	2,912	3.80%
COD	16,528	14,992	1,536	10.91%
Money Orders	165,714	153,995	11,719	7.61%
Stamped Cards	3,048	3,444	(396)	-11.49%
Stamped Envelopes	11,077	12,544	(1,467)	-11.69%
Box/Caller Service	586,317	589,226	(2,909)	-0.49%
Other	123,486	141,324	(17,836)	-12.62%
Total Special Services	1,546,109	1,539,113	6,996	0.45%
Total Mail & Services	41,301,304	40,780,380	520,924	1.28%
Other Costs	28,031,846	27,978,701	53,145	0.19%
Other Income				
Prior Years Loss Recovery	317,709	268,257	49,452	18.43%
Continuing Appropriations				
Investment Income				
Grand Total	69,650,859	69,027,338	623,521	0.90%

Response of United States Postal Service witness Patelunas
to Interrogatories of
Major Mailers Association

Revised 8/8/00

MMA/USPS-ST44-5 Please refer to the attachment to this interrogatory marked "Attachment to MMA/USPS-ST44-5" that compares the updated test year before rates volume variable costs by subclass from EXHIBIT USPS-ST-44W with the original (revised) test year after rates volume variable costs by subclass from USPS-T-32B.

- (a) Please confirm that all of the cost figures, differences and percent differences are correct. If you cannot confirm, please make any necessary corrections and explain those corrections.
- (b) Please provide a full, detailed explanation for each of the changes that affect:
 - 1) First-Class Single Piece
 - 2) First-Class Presorted
 - 3) Standard Mail (A) Regular
 - 4) Standard Mail (A) ECR

Response:

(a) Not confirmed. I am not able to explain where some of the amounts in column (1), Updated Vol Variable Costs, of the Attachment to MMA/USPS-ST44-4 were found. I am providing the correct amounts from Exhibit USPS-ST44T and for each amount in column (1) that changes, the Difference in column (3) and the % Difference in the last column will also change. The following amounts from Exhibit USPS-ST44T should replace the amounts displayed in column (1), Updated Vol Variable Costs, in the Attachment to MMA/USPS-ST44-4:

Response of United States Postal Service witness Patelunas
to Interrogatories of
Major Mailers Association

Revised 8/8/00

Response continued:

Total All Mail	40,460,067
Total Special Services	1,595,434
Total Mail & Services	42,055,501
Prior Years Loss Recovery	311,709
Grand Total	70,378,144

It should be noted that the Prior Years Loss Recovery amount is found in Exhibit USPS-ST44A. Also, the line stubs in Attachment to MMA/USPS-ST44-4 do not exactly match the lines stubs shown in Exhibit USPS-ST44T. The amount shown for Periodicals Outside County in the attachment is the summation of the following lines in Exhibit USPS-ST44T: Nonprofit, Classroom and Regular Rate. The amount shown for Special Services Other in the attachment is the summation of the lines for Special Handling and Special Services Other in Exhibit USPS-ST44T.

(b) Please see my response to AAP/USPS-ST44-9.

Test Year Before Rates Finances Using FY 99 Billing Determinants
(\$000's)

Description	Updated Vol Variable Costs (1)	Original Vol Variable Cost (1)	Difference (3)	% Difference
First-Class Mail				
Single-Piece Letters	13,586,081	13,408,525	177,556	1.32%
Presort and Automation Letters	5,115,088	5,050,613	64,475	1.28%
Total Letters	18,701,169	18,459,138	242,031	1.31%
Single-Piece Cards	556,627	554,794	1,833	0.33%
Presort and Automation Cards	177,569	172,879	4,690	2.71%
Total Cards	734,196	727,673	6,523	0.90%
Total First-Class Mail	19,435,365	19,186,811	248,554	1.30%
Priority Mail	3,390,168	3,263,396	126,772	3.88%
Express Mail	462,139	476,631	(14,492)	-3.04%
Mailgrams	850	991	(141)	-14.26%
Periodicals				
Within County	87,046	82,227	4,819	5.86%
Outside County	2,371,322	2,415,778	(44,456)	-1.84%
Total Periodicals	2,458,368	2,498,005	(39,637)	-1.59%
Standard Mail (A)				
Regular	6,784,313	7,125,095	(340,782)	-4.78%
Enhanced Carrier Route	2,685,551	2,527,785	157,766	6.24%
Total Commercial	9,469,864	9,652,880	(183,016)	-1.90%
Nonprofit	1,363,812	1,326,100	37,712	2.84%
Enhanced Carrier Route	202,982	212,388	(9,406)	-4.43%
Total Nonprofit	1,566,795	1,538,488	28,307	1.84%
Total Standard Mail (A)	11,036,659	11,191,368	(154,709)	-1.38%
Standard Mail (B)				
Parcel Post	1,097,363	1,078,203	19,160	1.78%
Bound Printed Matter	512,221	493,424	18,797	3.81%
Special Rate	361,266	304,846	56,420	18.51%
Library Rate	54,852	48,295	6,557	13.58%
Total Standard Mail (B)	2,025,702	1,924,768	100,934	5.24%
Penalty				
Free-for-the-Blind	31,724	40,302	(8,578)	-21.28%
Total Domestic Mail	38,840,974	38,582,272	258,702	0.67%
International Mail	1,619,092	1,473,998	145,094	9.84%
Total All Mail	40,460,066	40,056,270	403,796	1.01%
Special Services				
Registry	104,550	89,271	15,279	17.12%
Certified Mail	492,029	494,945	(2,916)	-0.59%
Insurance	80,900	78,162	2,738	3.50%
COD	16,708	15,104	1,604	10.62%
Money Orders	170,767	159,605	11,162	6.99%
Stamped Cards	3,046	3,444	(398)	-11.55%
Stamped Envelopes	11,061	12,542	(1,481)	-11.81%
Box/Counter Service	593,497	597,451	(3,954)	-0.66%
Other	122,876	141,152	(18,276)	-12.95%
Total Special Services	1,595,433	1,591,676	3,757	0.24%
Total Mail & Services	42,055,499	41,647,946	407,553	0.98%
Other Costs	28,010,934	27,992,970	17,964	0.06%
Other Income				
Prior Years Loss Recovery	317,709	268,257	49,452	18.43%
Continuing Appropriations				
Investment Income				
Grand Total	70,384,142	69,909,173	474,969	0.68%

DECLARATION

I, Richard Patelunas, declare under penalty of perjury that the foregoing answers to interrogatories are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Richard Patelunas", written over a horizontal line.

Dated: 8/8/00

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in dark ink, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990 Fax -5402
August 8, 2000